

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7444**

**BILL NUMBER:** HB 1176

**NOTE PREPARED:** Apr 9, 2003

**BILL AMENDED:** Mar 17, 2003

**SUBJECT:** Architects and Auctioneers.

**FIRST AUTHOR:** Rep. Kuzman

**FIRST SPONSOR:** Sen. Server

**BILL STATUS:** Enrolled

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill permits the Board of Registration for Architects and Landscape Architects to adopt rules to require continuing education for architects and landscape architects. It increases the term of an auctioneer's license from two to four years, and makes corresponding changes for auction houses and companies. The bill also requires an auctioneer to have 16 hours of continuing education in every four year period.

**Effective Date:** (Amended) July 1, 2003; March 1, 2004.

**Explanation of State Expenditures:** This bill may require the eight-member Board of Registration for Architects and Landscape Architects to meet more frequently to develop rules for continuing education and training for architects and landscape architects. The estimated cost per meeting is \$725. The Board may, but is not required, to adopt rules. Total cost is dependent upon whether the Board elects to adopt rules for continuing education and the specific requirements chosen by the Board.

The bill also requires the Board to randomly audit, every two years, between 1% and 10% of the architects and landscape architects required to take continuing education courses. As of December 31, 2002, the Professional Licensing Agency reported 3,616 active architect licenses and 394 active landscape architect licenses. The PLA would be responsible for performing a minimum of 40 audits or a maximum of 401, assuming each of the active license holders would be subject to the continuing education audit.

According to the PLA, the agency could potentially require an additional program coordinator III position to process the audits. However, the agency is not certain how many audits the additional position would be required to perform. A program coordinator III (PAT III) position would cost approximately \$42,600 in FY

2004 and \$42,440 in FY 2005.

If an additional meeting of the Auctioneer Commission is needed to consider the changes required by this bill, the additional cost to the Commission is estimated to be approximately \$437.

*Background:* Members of the Board or Commission are entitled to travel expenses and/or salary per diem. Lay members who are not state employees are entitled to \$50 per diem as well as \$0.28 per mile for travel expenses, to be paid from executive agency appropriations. Members of the Board or Commission who are state employees are also entitled to \$0.28 per mile for travel expenses, to be paid from executive agency appropriations.

**Explanation of State Revenues:** This bill increases the auctioneer, auctioneer house, and auctioneer company license fee from \$35 to \$70 to correspond with the change in the length of the license term from two to four years. Currently, a majority of the license revenue is generated every other year, during renewal. However, this bill will shift the timing to every fourth year.

Because the increased license fee will be paid up-front every four years instead of two, the Professional Licensing Agency should experience an influx of revenue every first year of each renewal cycle. Conversely, the PLA should also experience a reduction in revenue in the cycle's remaining three years.

As of December 31 2002, the PLA reported approximately 2,527 active auctioneer, 185 auctioneer house, 221 auctioneer company licenses, respectively. Currently, they are up for renewal on February 28, 2004, at a cost of \$35 each. If all of the licenses are renewed at \$70 each, \$205,310 would be generated and deposited in the State General Fund in FY 2004. This would be an increase of \$102,655 over the base amount expected in FY 2004. There would be a corresponding decrease in revenue in FY 2006.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Professional Licensing Agency.

**Local Agencies Affected:**

**Information Sources:** Kim Garver, Professional Licensing Agency, (317) 232-3901.

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